

times to find some trace of the transactions between the Bank of Upper Canada and the Grand Trunk Railway which were settled after the passing of the Grand Trunk Arrangements Act in 1862.

Yesterday the accountant of the company succeeded in turning up, amongst a number of books which apparently were saved from the fire which destroyed the company's offices in 1875, an old journal for 1862, and from that I have had extracted the following facts:

The debt due from the company to the bank (including an unpaid bill of exchange for £100,000, apparently drawn originally in June 1859) was \$1,495,830.54. Interest and charges to December 31st, 1862, were added, making the total \$1,782,873.97, for which the bank received Grand Trunk Postal and Military Service Bonds £181,500, \$883,300; a mortgage on surplus lands for \$1,076,459.46. The Postal and Military Service Bonds were paid the revenue derived from the Imperial and Canadian Governments up to 1878, the amounts varying slightly from time to time, but, I think on the average, producing about 3 per cent. In 1878 they were converted into perpetual 5 per cent. debenture stock of the company. The mortgage on the surplus lands carried 4 per cent. interest, which was regularly paid up to the date when it was also converted into 5 per cent. perpetual debenture stock, the amount issued being £160,000.

The interest on the debenture stock has always been regularly paid, and even in these hard times it is selling at 107.

I have not been able yet to find any papers about the settlement with the Government, but I am inclined to think that the foregoing facts supply you with the information which you desire, and I very much regret that I was not in a position to give them to you earlier.

I am,

Yours very faithfully,

J. HICKSON,

General Manager.

P. S. You will observe that the Bank received a larger amount in securities than the amount of the debt with interest. This was owing to there being added to the mortgage 20 per cent. of the nominal value of the postal bonds.

The Hon. Sir DAVID L. MACPHERSON, K.C.M.G., &c. &c.

Ottawa.

So that not only had these gentlemen nothing to do with the bank taking the £100,000 sterling, but the bank, so far from losing, actually gained. They got the whole of the debt converted into postal bonds and mortgages, which were afterwards turned into five per cent. debenture stock, which debenture stock is now selling at 107. These are the facts,

and yet the hon. gentleman has sent broadcast throughout the country his statements, without a tittle of evidence to support them. He says he did not know that my hon. friend had been on the board. What ignorance to confess! Is this a thing to bring before the House when the hon. gentleman does not know any of the facts, not even that my hon. friend was on the board? He was aiming at succeeding the hon. gentleman from York as president of the bank, and yet he knows nothing of the facts, and he ventures to circulate through the country his accusations against my hon. friend (Sir David Macpherson) and the hon. member from York. My hon. friend from York, as he explained the other day, was indebted to the bank. He felt it necessary to enter into this subject on a former occasion, and the House now understands it perfectly, and knows exactly how he stood with reference to it. Many others were in the same position. The compromise made with the hon. gentleman was suggested, not by himself, but by others. He was desirous of paying his indebtedness in full, as he has informed the House. The hon. member from Woodstock says: "But the brother of the Minister of Justice was one of the trustees." Yes, the brother of the Minister of Justice was one of the trustees. The brother of the Minister of Justice was accountable to the Ministry of the day, and I will read you a paragraph, which I never saw before to-day, which will show what the Finance Minister at that time, Sir John Rose, thought of him—"He is of opinion that the steps taken by the trustees since their appointment, have been marked with judgment and descretion." Could anything be more absurd than for the House to be detained by these bad, malicious and wicked accusations which are given to the public at the hands of a man who admits that he was not aware of what was going on, and apparently has not the sense to know what took place either in the bank or in the country. The Government cannot grant the hon. gentleman the committee for which he has asked.

HON. MR. GOWAN—I happened unfortunately to be a shareholder at the time of the failure of the Bank of Upper Canada, to a small extent, and I was very